

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: March 17, 2003

SUBJECT: Fiscal Impact Statement: "Uniform Trust Act of 2003"

REFERENCE: Draft Legislation – Bill Number Not Available

Conclusion

Funds are sufficient in the FY 2003 through FY 2006 budget and financial plan to implement the proposed legislation because there is no significant, direct financial impact associated with the provisions of the proposal.

Background

The proposed legislation is a uniform code for trusts developed by the National Conference of Commissioners on Uniform State Law in 2001. It is a comprehensive codification of the laws of trust. It includes provisions concerning judicial proceedings; representation; creation, validity, modification, and termination of trusts; creditor's claims; spendthrift and discretionary trusts; revocable trusts; the duties and powers of trustee, and the liability of trustees and rights of persons dealing with trustees. These provisions do not displace specialized uniform laws concerning trusts in the District.

This is a reintroduction of bill 14-211 from the last Council session, which had a hearing in November 2001, but was not reported out before the end of the Council session.

Financial Plan Impact

Funds are sufficient in the FY 2003 through FY 2006 budget and financial plan to implement the proposed legislation. Kansas has enacted this uniform legislation and the

Wyoming legislature has reported it out of both houses. The bill also has been reported out of the Banking Committee in Nebraska and is expected to be enacted this year. All three states found that the legislation would have no fiscal impact.

The Office of Corporation Counsel advises that having a clear statute governing trusts would encourage the creation of trusts in the District. To the extent that more trusts are created and administered in the District, there would be some increase in franchise tax revenue. The District imposes a 10 percent franchise tax on income that financial institutions receive from trust administration.